

November 4, 2016

Participants
813 Panel
Pentagon Room 3E172
3090 Defense Pentagon
Washington, DC 20301-3090

Dear 813 Panel Participants,

As representatives of the services sector of the defense industrial base, we welcome the opportunity to share our experience-based perspectives on access to data rights and intellectual property (IP) with the 813 Panel.

We are particularly focused on the issue of access to data rights related to the maintenance and sustainment of the U.S. military's aging aircraft and ground vehicle fleets. While we appreciate the Original Equipment Manufacturers' (OEMs) legitimate desire to recover investment relative to their IP, we believe it is in the interest of taxpayers for the Department of Defense (DoD) to take a more proactive approach in negotiating data rights license fees on legacy platforms to ensure the government is realizing cost savings and other benefits created by increased competition. In recent years, the DoD has permitted the OEMs to set the price for data rights license fees, which can vary widely on the same contract depending on which services contractor is requesting access. When the cost of the licensing fees is added into contract proposals, the resulting price for competitive bids on services solicitations can be unnecessarily increased outside of the government's competitive range.

To mitigate the negative competitive impacts the cost of licensing fees is having on acquisitions to maintain legacy equipment, the government should negotiate data rights and intellectual property costs directly with the OEMs and direct the price for that component of the bid for each competitor. This action would level the playing field and ensure best value for the government. If the government is unable to directly negotiate the fees, it can establish a separate Contract Line Item for the data licenses that is cost-reimbursable and excluded from the total evaluated price applied to bidders.

Thank you again for the opportunity to share the pure services sector perspective on issues and challenges related to access to data rights and IP. We look forward to working with the 813 Panel on crafting solutions that benefit the government, technology developers and the end users.

Sincerely,



Ken Asbury
CEO
CACI



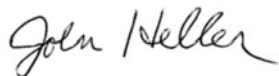
Lou Von Thaer
CEO
DynCorp International



Lynn Dugle
CEO
Engility



Kevin Phillips
President and COO
ManTech International



John Heller
CEO
PAE



Tony Moraco
CEO
SAIC



Ken Hunzeker
CEO
Vektrus